

H. B. No. 650

By:

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A B I L L

*Robert*

T O B E E N T I T L E D

AN ACT authorizing and providing for the creation and operation of conservation and reclamation districts under the provisions of Section 59, Article XVI, Constitution of Texas, to be known as Sanitation Districts; providing for the governing body of such Districts; prescribing the rights, powers, privileges, and duties of such Districts and governing bodies; providing for the addition of territory and lands to any such Districts; containing other provisions relating to the subject; providing that this Act shall be liberally construed; providing a severability clause; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. In addition to other conservation and reclamation districts authorized to be created pursuant to the authority and provisions of Section 59 of Article XVI, Constitution of Texas, districts to be known as sanitation districts (hereinafter referred to as "Districts" or "District") may be created pursuant to said Constitutional provision under the terms and provisions of this Act. Any such District may include any part or parts or the whole of any county or parts and/or the whole of two or more counties in this State, and the District may consist of two or more segregated tracts. Any such District may include one or more incorporated cities or towns, including Home Rule Cities (hereinafter referred to as "cities" or "city"); provided, however, that no such District which includes a city or cities shall be established unless it includes the whole of such city or cities.

Sec. 2. Such Districts shall have all powers and authority relating to, and shall be authorized to construct, purchase, lease, or otherwise acquire, own, and operate all works, properties, and facilities, within or without the boundaries of the District, in any and all manner incident to, used or useful in, or helpful or necessary

to the collection, transportation, processing, disposal, and control of domestic, industrial, or communal wastes and sewage, whether of fluids, solids, or composites. The creation of such Districts hereunder is hereby declared to be essential to the accomplishment of the purposes of said Section 59 of Article XVI, Constitution of Texas, and necessary for the protection of the purity of the waters of this State.

Sec. 3. Such Districts may be established in the manner prescribed by this Section 3. If the territory of any such proposed District lies wholly within one county, then the petition for the establishment thereof shall be addressed to the Commissioners' Court of such county and shall be filed in the office of the County Clerk of such county; and if the proposed District includes territory in more than one county, then the petition shall be addressed to the State Board of Health of Texas, and shall be filed with the Commissioner of Health of the State of Texas. Such petition shall be signed by at least fifty qualified voters residing within such District who own taxable property therein. The petition shall designate the name of the District, which name shall be " \_\_\_\_\_ Sanitation District of \_\_\_\_\_ County" if the District lies wholly within one county, and " \_\_\_\_\_ Sanitation District of \_\_\_\_\_ Counties" if the District includes territory in more than one county (filling in the first blank with any descriptive term and the second blank with the name of the county, or the names of the counties, as the case may be). Such petition shall describe the boundaries of the proposed District, shall state the general nature of the work to be done and the necessity and feasibility thereof with reasonable detail in order that the Commissioners' Court or State Board of Health passing on same may understand therefrom the utility, feasibility, and need or necessity therefor. The petition shall also state the estimated cost

of the project as then estimated by those filing such petition from such information<sup>✓</sup> as they may have at that time. Any petition filed hereunder shall be recorded by the County Clerk, or by the Commissioner of Health, as the case may be, in a book kept for that purpose in his office. When a petition is filed for the establishment of a District, the County Judge or the Commissioner of Health shall make an order setting the date, hour, and place of hearing thereof by the Commissioners' Court or by the State Board of Health, as the case may be, and said petition may be heard and considered at a regular or special meeting of said Court or Board. If the hearing is before the Commissioners' Court, the County Clerk shall issue a notice thereof; and if the hearing is before the State Board of Health, the Commissioner of Health shall issue a notice thereof. Said notice shall contain a statement of the date, hour, and place of the hearing and a copy of the petition; provided, that it shall not be necessary that the notice list the names of those signing the petition. Such notice shall be published on the same day in each of two consecutive weeks in a newspaper of general circulation within the proposed District. Upon the day set for hearing upon such petition, any person whose land is included in or would be affected by the creation of such District may appear in favor of or against its creation, and may give testimony or other evidence to show that such District is or is not necessary, would or would not be a public utility, and would or would not be feasible and practicable. Such hearing may be adjourned from day to day. If, at the conclusion of the hearing, the Commissioners' Court or the State Board of Health shall determine that the creation of the District and the project are feasible and practicable, would be a benefit to the land to be included therein, and would be a public benefit or utility, it shall so find and shall adopt an order granting the petition and establishing the District; and a certified copy of such order, together with a description of

the boundaries of the District, shall be recorded in the deed records of the county or counties in which the District lies. If, however, the Commissioners' Court or the State Board of Health shall at the conclusion of such hearing determine that the creation of the District and the project are not feasible or practicable, would not be a benefit to the land to be included therein, or would not be a public benefit or utility, it shall refuse to grant the petition.

Sec. 4. A District created under the provisions of this Act shall be governed by a Board of Directors, the members thereof to be appointed and the number of such members to be determined as follows:

(a) If the District contains territory in only one county and does not include a city, the Board of Directors shall consist of five members who shall be appointed by the Commissioners' Court of the county in which the District lies. If the District contains territory in two counties and does not contain a city, the Commissioners' Court of the county which contains more than half of the territory of the District shall appoint three members, and the Commissioners' Court of the other county shall appoint two members.

(b) If the District contains territory in three or more counties and does not include a city, the number of members of the Board of Directors shall be twice the number of such counties, two members to be appointed by the Commissioners' Court of each such county.

(c) If the District contains territory in one or more counties and includes only one city, the Board of Directors shall consist of five members who shall be appointed by the governing body of such city.

(d) If the District contains territory in one or more counties and includes two cities, the Board of Directors shall consist of six members, three members to be appointed by the governing body of each such city.

(e) If the District contains territory in one or more counties and includes three or more cities, the number of members of the Board of Directors shall be twice the number of such cities, two members to be appointed by the governing body of each such city.

Sec. 5. The members of the Board of Directors of a District

shall serve for the following terms of office:

(a) If the Board consists of but five members, two of the members of the first Board shall serve until June 1st following their appointment and until their successors are appointed and qualified, and the three remaining members of said first Board shall serve until June 1st of the year thereafter (one year after the expiration of the term of office of the two members mentioned above) and until their successors are appointed and qualified. As to the terms of office of the members of the first Board which expire at the same time, the same shall be determined by lot by all the members of said first Board. Except for the first Board of Directors, the term of office of the members thereof shall be for two years ending on June 1st and until their successors are appointed and qualified, two members or three members to be appointed during the month of May of each year by the appropriate appointive power or powers (as specified above in Section 4) to succeed the members whose term shall expire on the following June 1st. The appointive body which appointed any member whose term is expiring on such June 1st shall appoint the successor member; and if a vacancy on the Board of Directors occurs because of the resignation or death of a member, or otherwise, the appointive body which appointed such member shall fill the same for the unexpired term by the appointment of a successor member.

(b) If the Board consists of more than five members, half of the members of the first Board shall serve until June 1st following their appointment and until their successors are appointed and qualified, and the remaining half of the members of said first Board shall serve until June 1st of the year thereafter and until their successors are appointed and qualified. As to the terms of office of the members of the said first Board which expire at the same time, the same shall be determined by lot by all the members of said first Board. Except for the first Board of Directors, the term of office of the

members thereof shall be for two years ending on June 1st and until their successors are appointed and qualified, half of said members to be appointed during the month of May of each year by the appropriate appointive body or bodies (as specified above in Section 4) to succeed the members whose term shall expire on the following June 1st. The appointive power who appointed any member whose term is expiring on such June 1st shall appoint the successor member; and if a vacancy on the Board of Directors occurs because of the resignation or death of a member, or otherwise, the appointive body which appointed such member shall fill the same for the unexpired term by the appointment of a successor member.

Sec. 6. Members of the Board of Directors of a District shall be duly qualified resident electors of such District who own taxable property therein. Each member shall qualify by taking the oath of office required by County Judges and by making official bond in the sum of Five Thousand Dollars payable to the District and conditioned upon the faithful performance of his duties as director, such bonds and the surety or sureties thereon to be approved by the remaining members of the Board. Each member shall be paid a per diem of Twenty Dollars for each day that he is necessarily engaged in the performance of his duties as director.

Sec. 7. The Board of Directors of a District shall meet at such times and places as it shall designate, and shall organize by electing one of its members as President, one as Vice President, one as Secretary, and one as Treasurer (provided that the offices of Secretary and Treasurer may be combined into the one office of Secretary-Treasurer upon a majority vote of the members of the Board). Except for the first Board, such officers shall serve for a term of one year, and annually during the month of June said Board shall elect such officers. The officers of the first Board shall serve for a term expiring at the time of election of officers in the month of June following the appointment of members of such first Board.

Special meetings of the Board may be called by the President or by any three members, and a majority of the members shall constitute a quorum to transact any and all business.

Sec. 8. Except as provided by this Act, any District created hereunder (and its Board of Directors) shall have and is hereby authorized to exercise all powers, rights, privileges, and functions which are now, or hereafter may be, conferred by general law upon water control and improvement districts (and the governing boards thereof) created pursuant to, or operating under, Section 59 of Article XVI, Constitution of Texas, and such general law is hereby expressly made applicable to such District (and its Board of Directors). It is provided, however, that the exercise of the powers granted by this Section 8 shall be exercised only in connection with the purposes set forth in Section 2 hereof.

Sec. 9. Any District created hereunder (and its Board of Directors) shall have and is hereby authorized to exercise, among others, the following powers, rights, privileges, and functions:

(a) To do any and all things necessary and convenient to accomplish the purposes set forth in Section 2 hereof, any or all.

(b) To sue and be sued in its corporate name.

(c) To adopt, use, and alter a corporate seal.

(d) To make bylaws, rules, and regulations for the management and regulation of its affairs.

(e) To employ officers, agents, and employees, and to prescribe their duties and fix their compensation.

(f) To make contracts and execute instruments necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred upon it by this Act.

(g) To borrow money for any of the purposes consistent with the Constitution and this Act (and without limitation of the foregoing, to borrow money and accept grants from the United States of

America, or from any corporation or agency created or designated by the United States of America, and in connection with any such loan or grant to enter into such agreements as the United States of America or such corporations or agencies may require), and to make and issue its negotiable bonds (revenue, tax, and/or combination tax-revenue bonds) for such borrowed money.

(h) To borrow funds for current expenses and to evidence the same by warrants payable not later than the close of the calendar year in which such loans are made, said warrants never to exceed the anticipated revenue and to bear interest at a rate or rates not greater than six per cent per annum.

(i) To acquire by gift or purchase any and all properties of any kind within or without the boundaries of the District necessary or convenient to the exercise of the powers, rights, privileges, and functions conferred upon it by this Act, and to acquire any such properties by condemnation within the boundaries of the District in the manner provided by general law for condemnation by counties; provided, that the District shall not be required to give bond for appeal or bond for cause in any judicial proceeding. The right of eminent domain is expressly conferred upon such District to enable it to acquire the fee simple title to, and easement or right of way over and through, any and all lands, water, or lands under water, private or public, within such District, which, in the judgment of the Board of Directors, is necessary or convenient to carry out any of the purposes or powers conferred upon the District by this Act; provided, however, that as against persons, firms, and corporations, or the receivers or trustees thereof, who have the power of eminent domain, the fee title may not be condemned, but the District may condemn only an easement. All such condemnation proceedings shall be under the direction of the Board of Directors and in the name of the District, and the assessment of damages and all procedures with



reference to condemnation, appeal, and payment shall be in conformity with the statutes of this State as provided in the title of the Revised Civil Statutes of Texas, 1925, relating to "Eminent Domain", as such statutes are now or hereafter may be amended. In the event it becomes necessary in the exercise of the powers conferred by this Act that any railroad line or right of way be relocated, the cost of such relocation and any damage incurred in changing and adjusting the lines and grades of such railroad shall be paid by the District. The damages to the owner of public utilities and communication facilities and properties shall include the actual loss, costs, and expenses incident to the removal, as well as the relocation of the facilities and properties, including the costs of any land or rights or interest in land, and any other property rights acquired to accomplish such removal and relocation.

Sec. 10. The Board of Directors may on its own motion call an <sup>page 5</sup> election on the proposition of authorizing said Board to levy and cause to be assessed and collected an annual maintenance tax in an amount not to exceed twenty-five cents on the One Hundred Dollar valuation of taxable property within the District, said tax to be used for the maintenance and support of the District and its properties and facilities. Only duly qualified resident electors of the District who own taxable property therein and who have duly rendered the same for taxation shall be qualified to vote in said election. The order calling the election shall designate the time and place or places of holding said election; provided, that if the District consists of two or more segregated areas, a polling place or places shall be provided in each such area. Notice of the election shall be given by publication of a substantial copy of the order or resolution calling the election in a newspaper of general circulation within the District, said notice to be published on the same day in each of two successive weeks, the date of the first publication to be at

least fourteen days prior to the date set for the election. No other election notice shall be necessary. The proposition to appear upon the ballot shall be substantially "For the maintenance tax of \_\_\_\_\_ cents", and the contrary thereof (filling in the maximum amount of maintenance tax to be voted upon). The election officials conducting the election shall make returns to the Board of Directors, and said Board shall pass an order or resolution canvassing the same. If a majority of the qualified voters voting at such election shall vote in favor of the proposition, then the Board may each year thereafter levy a maintenance tax in an amount not greater than the rate authorized at the election. Subsequent elections may be ordered and held in the same manner for the purpose of increasing, decreasing, or eliminating such maintenance tax; provided, that the rate of tax voted at any such election shall never exceed twenty-five cents on the One Hundred Dollar valuation of taxable property within the District. The fact that any maintenance tax election may fail to receive a majority vote of those voting at such election shall in no way prevent or preclude the Board of Directors from ordering and holding a subsequent maintenance tax election or elections.

Sec. 11. Any District created hereunder is hereby authorized to enter into contracts with (a) any persons, firms, partnerships, or corporations, either within or without the boundaries thereof, whereby the District shall, for the consideration specified in such contracts, collect, transport, process, dispose, and control, any or all, of any part or all of the wastes and sewage, either or both, of such persons, firms, partnerships or corporation; (b) any city included within the boundaries thereof whereby the District shall, for the consideration specified in such contract, collect, transport, process, dispose, and control, any or all, of any part or all of the wastes and sewage, either or both, of such city and the inhabitants thereof; (c) any city included within the boundaries thereof whereby

the District shall, for the consideration specified in such contract, lease or operate any part or all of the city's sanitary sewer system (including the sewage disposal plant of the city, if any, and if covered by said contract).

Any such contract may run for such length of time as may be agreed upon and stated therein not to exceed forty years from the date thereof, but such contract may also provide that it shall run until all bonds (either original bonds or bonds issued to refund such original bonds) issued by the District which are secured in whole or in part by a pledge of the income to be derived by the District from said contract have been paid in full.

Any such District is authorized to pledge any or all of the income derived from any or all of said contracts to the payment of bonds issued by the District.

Sec. 12. (a) For the purpose of providing funds for any of the purposes provided by this Act, the Board of Directors of any District created hereunder shall have the power from time to time to issue negotiable bonds for and on behalf of the District, which bonds may be secured by any one of the following methods: *Stop*

*page 6* (1) Solely by a pledge of and payable from the net revenues derived from the operation of all or a designated part or parts of the improvements and facilities of the District then in existence or to be constructed or otherwise acquired, with the duty on the Board of Directors to charge and collect fees, tolls, and charges, so long as the bonds are outstanding, sufficient to pay all maintenance and operation expenses of the improvements and facilities (the income of which is pledged), the interest on such bonds as it accrues, the principal of such bonds as it matures, and to make any and all other payments or deposits as may be prescribed in the bond order or resolution; or

(2) By a pledge of and payable from a continuing annual ad

valorem tax upon all taxable property within the District under Section 59 of Article XVI, Constitution of Texas, with the duty of the Board of Directors each year while the bonds, or any part of them, are outstanding to levy and cause to be assessed and collected, a tax sufficient to pay the interest on such bonds as it accrues and the principal of such bonds as it matures; or

(3) By a combination of the methods prescribed under (1) and (2) above, whereby the bonds are supported and secured by an ad valorem tax, with the duty on the Board of Directors to charge and collect fees, tolls, and charges, so long as the bonds, or any part of them, are outstanding, so that (in the manner prescribed in the bond order or resolution) the amount of tax to be collected from time to time may be reduced or abated to the extent that the revenues from the operation of said improvements and facilities (the income of which is pledged) are sufficient to meet the requirements for maintenance and operation of said improvements and facilities and to provide funds for the bonds as prescribed in said bond order or resolution.

"Net revenues" as used herein shall mean the gross revenues derived from the operation of those improvements and facilities of the District the income of which is pledged to the payment of the bonds less the reasonable expense of maintaining and operating said improvements and facilities, and said maintenance and operation expenses shall include, among other things, necessary repair, upkeep, and insurance of said improvements and facilities.

In the order or resolution adopted by the Board of Directors authorizing the issuance of bonds payable in whole or in part from net revenues, the Board of Directors may provide for the flow of funds, the establishment and maintenance of the interest and sinking fund, reserve fund or funds, other funds, and may make such additional covenants with respect to the bonds and the pledged revenues and the

operation, maintenance, and upkeep of those improvements and facilities (the income of which is pledged), including provision for the leasing of all or part of said improvements and facilities and the use or pledge or moneys derived from leases thereof, as it may deem appropriate. Such order or resolution may also prohibit the further issuance of bonds or other obligations payable from the pledged net revenues, or may reserve the right to issue additional bonds to be secured by a pledge of and payable from said net revenues on a parity with, or subordinate to, the lien and pledge in support of the bonds being issued, subject to the conditions and terms as are set forth in said order or resolution. Such order or resolution may contain such other provisions and covenants, as the Board of Directors shall determine, not prohibited by the Constitution of Texas or by this Act, and the Board may adopt and cause to be executed any other proceedings or instruments necessary and/or convenient in the issuance of said bonds.

Bonds payable solely from net revenues may, at the option of the Board of Directors, be additionally secured by a mortgage and lien on the properties and facilities (the income of which is pledged) and the franchise and revenues and income from the operation thereof and everything pertaining thereto, acquired or to be acquired.

*Step 2*  
*Page 9* (b) Bonds payable solely from net revenues (whether or not additional secured by a mortgage and lien on properties and facilities) may be issued by order or resolution of the Board of Directors, and no election therefor shall be necessary. No bonds wholly or partially supported by taxes, except refunding bonds, shall be issued unless and until they have been authorized at an election called by the Board of Directors at which a majority of the duly qualified resident electors of said District who own taxable property within the District and who have duly rendered the same for taxation, voting

at said election, have voted in favor thereof. If the bonds are to be payable solely from taxes, the proposition to appear upon the ballot shall be substantially "For the bonds and the levy of taxes in payment thereof", and the contrary thereof. If the bonds are to be payable both from net revenues and taxes, the proposition to appear upon the ballot shall be substantially "For the bonds, the pledge of net revenues, and the levy of taxes adequate to provide for the payment thereof", and the contrary thereof. Bond elections shall be called and held and notice thereof given as provided in this Act with respect to maintenance tax elections, and bond elections and maintenance tax elections may be called and held at the same time, either with separate ballots or separate propositions on the same ballot.

(c) All bonds of the District shall be authorized by order or resolution of the Board of Directors, shall be issued in the name of the District, shall be signed by the President and attested by the Secretary, and shall have the seal of the District impressed thereon; provided that the order or resolution authorizing such bonds may provide for the bonds to be signed by the facsimile signatures of the President and Secretary, either or both, and for the seal of the District on the bonds to be a printed facsimile seal of the District, and provided further that the interest coupons attached to said bonds may also be executed by the facsimile signatures of said President and Secretary. Such bonds shall mature serially or otherwise in not to exceed forty years from their date or dates, and may be sold at a price and under the terms determined by the Board of Directors to be the most advantageous to the District reasonably obtainable, provided that the interest cost to the District, calculated by the use of standard bond interest tables currently in use by insurance companies and investment houses, does not exceed six per cent per annum, and within the discretion of the Board such bonds may be callable prior to maturity at such time or times and at such price and prices

as may be prescribed in the order or resolution authorizing the issuance of the bonds. Such bonds may be made registerable as to principal, or as to both principal and interest.

After such bonds have been authorized by the District, such bonds and the record relating to their issuance shall be submitted to the Attorney General of Texas for his examination as to the validity thereof, and after the Attorney General has approved the same, such bonds shall be registered by the Comptroller of Public Accounts of Texas. When any such bonds have been approved by the Attorney General, registered by the Comptroller of Public Accounts, and delivered to the purchasers, they shall thereafter be incontestable. When any bonds payable in whole or in part from net revenues recite that they are secured partially or otherwise by a pledge of the proceeds of or income from a contract or contracts made between the District and another party or parties (cities, other public agencies, persons, or otherwise), a copy of such contract or contracts and of the proceedings authorizing the same shall be submitted to the Attorney General along with the bond record, and the approval by the Attorney General of the bonds shall constitute an approval of such contract or contracts, and thereafter the contract or contracts shall be incontestable except for forgery or fraud. 6 /

(d) From the proceeds of sale of any bonds of the District, the Board of Directors may appropriate or set aside an amount for the payment of interest expected to accrue during the period of construction of the improvement or facilities, and an amount necessary to pay all expenses incurred in the organization of the District and all expenses incurred and to be incurred in the issuance, sale, and delivery of the bonds. *85 p-1. add 3 more lines*

*Pg 8* Sec. 13. The Board of Directors shall have the power and authority to issue refunding bonds of the District for the purpose of refunding any outstanding bonds of the District and accrued interest thereon. As to any outstanding bonds payable from taxes, such

refunding bonds may be issued to refund bonds of more than one series or issue of such outstanding bonds. As to outstanding bonds payable in whole or in part from net revenues, such refunding bonds may be issued to refund bonds of more than one series or issue of such outstanding bonds and combine pledges for the outstanding bonds for the security of the refunding bonds, and such refunding bonds may be secured by other and additional revenues; provided, that no bonds payable solely from net revenues may be refunded into bonds secured by taxes unless the same is authorized by majority vote of the tax-paying voters voting at an election called and held in the same manner as bond elections; and provided, further, that such refunding will not impair the contract rights of the holders of any of the outstanding bonds which are not to be refunded.

Refunding bonds shall be authorized by order or resolution of the Board of Directors, and shall be executed and mature as is provided in this Act for original bonds. They shall bear interest at the same or lower rate than that of the bonds refunded unless it is shown mathematically that a saving will result in the total amount of interest to be paid. They shall be approved by the Attorney General as in the case of original bonds, and shall be registered by the Comptroller upon surrender and cancellation of the bonds to be refunded, but in lieu thereof, the order or resolution authorizing their issuance may provide that they shall be sold and the proceeds thereof deposited in the place or places where the original bonds are payable, in which case the refunding bonds may be issued in an amount sufficient to pay the interest on the original bonds to their option or maturity date, and the Comptroller shall register them without the surrender and cancellation of the original bonds. All such refunding bonds, after they have been approved by the Attorney General and registered by the Comptroller, shall be incontestable.

Sec. 14. All bonds issued under this Act shall be and are hereby



declared to be, and to have all the qualifications of, negotiable instruments under the Negotiable Instruments Law of the State of Texas, and all such bonds shall be and are hereby declared to be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians, and for sinking funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas. Such bonds shall be eligible to secure the deposit of any and all public funds of the State of Texas, and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas; and such bonds shall be lawful and sufficient security for said deposits to the extent of their face value when accompanied by all unmatured coupons appurtenant thereto.

Sec. 15. (a) Whenever a city within the boundaries of a District created hereunder extends its corporate limits to include, or annexes, territory which is not within the District, then the boundaries of the District shall thereupon automatically be extended to include such territory, and such territory shall thereupon become a part of the District. *SS STOP*

*Pg 9* (b) An individual tract or tracts of territory may be added to a District created hereunder in the following manner: The owner or owners of a tract of land shall file with the Board of Directors a petition praying that such territory be added to and become a part of the District, which petition shall describe the boundaries of such tract. Such petition shall be heard and considered by the Board (provided, that no public hearing shall be necessary), and may be granted and said land added to the District if the same is found by the Board to be advantageous to the District and if the Board finds that the improvements and facilities of the District are sufficient to serve both the District and the added territory. A

certified copy of the order or resolution granting the petition, together with a boundary description of the added territory, shall be recorded in the deed records of the county or counties in which such territory lies.

(c) A defined area or areas of territory may be added to a District created hereunder in the following manner: A petition for the annexation of such defined area, signed by a majority of land owners therein or by fifty land owners if the number of land owners is more than fifty, shall be filed with the Board of Directors praying that such territory be added to and become a part of the District, which petition shall describe the boundaries of such area. The Board of Directors shall adopt an order or resolution fixing a time and place at which such petition shall be heard. The Secretary of the Board of Directors shall issue notice of such time and place of hearing, which notice shall describe the boundaries of the territory proposed to be annexed; and the Secretary shall cause copies of such notice to be posted at three public places within the District and at one public place within the territory proposed to be annexed, which posting shall be done at least fifteen days prior to the date of such hearing. Such hearing shall be had at the time and place as provided in the order or resolution and as provided in the notice, and any person whose land is included in the territory proposed to be annexed or who would be affected by such annexation may appear in favor of or against such annexation, and may give testimony or other evidence relating to the same. Such hearing may be adjourned from day to day. If at the conclusion of the hearing, the Board of Directors finds that the annexation of such territory would be advantageous to the District and that the improvements and facilities of the District are sufficient to serve both the District and the territory proposed to be annexed, the Board shall adopt an order or resolution calling an election to be held on the same day in each the District

and the territory proposed to be annexed, at which election the proposition of whether such territory shall be annexed to the District shall be submitted to the duly qualified resident electors of the District and of the territory. Notice of the time and places of such election shall be given by the Secretary of the Board of Directors, and such notice shall consist of a substantial copy of the order or resolution calling the election. Copies of such notice shall be posted as in the case of the notice of hearing, as above provided. The proposition to appear upon the ballot shall be "For annexation" and the contrary thereof. The election officials conducting the election shall make returns to the Board of Directors, and such Board of Directors shall pass an order or resolution canvassing the same. If a majority of the duly qualified resident electors of the District and of the territory, voting separately, shall vote in favor of such annexation, then such order or resolution shall also declare that such territory has been annexed to the District, and thereupon and thereafter such territory shall be a part of the District. A certified copy of such order or resolution, together with a boundary description of the added territory, shall be recorded in the deed records of the county or counties in which such territory lies. *STO /*

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(d) Territory added to a District hereunder need not be contiguous with or adjacent to such District, and such territory may include land within the county or counties in which the District lies or land from another county or counties, or both. Such territory may also include a city or cities; provided, however, that no territory including a city or cities shall be added to the District hereunder unless it includes the whole of such city or cities.

When territory is added to a District under the provisions of this Act which addition results in the District's inclusion of land from an additional county or counties or in its inclusion of a

city or cities which city or cities were not theretofore included in the District, the number of members of the Board of Directors of the District as enlarged and the appointment of the members of said Board shall thereupon and thereafter be governed by the provisions of Section 4 of this Act; provided, that the members then on the Board of Directors shall serve out the terms for which they were appointed.

(e) Whenever territory has been added to any District under the terms of this Act, the Board of Directors may call a maintenance tax election to be held over the District as enlarged, which election shall be called and held as provided in Section 10 hereof. When any District has, at the time such territory is added thereto, any outstanding bonds payable in whole or in part from taxes, the Board of Directors may call an election, at which election the proposition of whether such outstanding bonds shall be assumed by, and taxes in payment thereof shall be levied upon all taxable property of, the District as enlarged, shall be submitted to the duly qualified resident electors of said District as enlarged who own taxable property therein and who have duly rendered the same for taxation. Such election shall be called and held, and notice thereof given, as in the case of maintenance tax elections, as provided in Section 10 hereof. The proposition to appear upon the ballot shall be substantially "For the assumption of bonds and the levy of taxes in payment thereof," and the contrary thereof. If a majority of the qualified voters voting at such election shall vote in favor of the proposition, then the Board shall each year thereafter levy taxes sufficient to pay the interest on and principal of such bonds. Any such bond assumption election may be called and held at the same time as a maintenance tax election and/or bond election, either with separate ballots or separate propositions on the same ballot. The fact that any bond assumption election may fail to receive a majority

vote of those voting at such election shall in no way prevent or preclude the Board of Directors from ordering and holding a subsequent bond assumption election or elections.

Sec. 16. Except as provided herein, taxes of Districts created hereunder shall be levied, assessed, and collected in accordance with the general laws pertaining to the levy, assessment, and collection of taxes by water control and improvement districts established and operating under Section 59 of Article XVI, Constitution of Texas, as such general laws are now or hereafter may be amended; and said general laws, except as provided in this Act, shall apply with equal force to the levy, assessment, and collection of taxes by Districts created hereunder. Districts created hereunder shall also have the benefits provided by Chapter 351, Acts of the 49th Legislature of Texas, Regular Session, 1945, as now or hereafter amended (Article 1066b, Vernon's Texas Civil Statutes, 1925, as amended), and said Chapter 351 shall apply to Districts created hereunder.

Sec. 17. Except as provided herein, the general election laws of the State of Texas shall apply to all elections called and held under the provisions of this Act.

Sec. 18. The Act and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

18 11 Sec. 19. The provisions of this Act are separable, and it is expressly provided that if any word, phrase, clause, sentence, paragraph, or other part of this Act or the application thereof to any person or circumstances shall ever be held to be invalid or unconstitutional by a court of competent jurisdiction, the remainder of the Act and the application of such word, phrase, clause, sentence, paragraph, or other part of said Act to other persons or circumstances shall not be affected thereby.

Sec. 20. The fact that the Sanitation Districts covered by this Act are urgently needed for the public health of the citizens of the

State of Texas, and that the provisions hereof are necessary for the protection of the purity of the waters of this State, creates an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended, and said Rule is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

FORM B

(For favorable reports on bills where committee amendments other than "committee substitutes" are recommended; and for resolutions where committee amendments, including complete substitutes, are recommended.)

COMMITTEE ROOM

Date April 14, 1959

Hon. Waggoner Carr

Speaker of the House of Representatives.

Sir:

We, your Committee on Conservation and Reclamation, to whom was referred H B No. 650, have had the same under consideration and beg to report back with recommendation that it do pass, as amended, and be printed.

Waggoner Carr  
Chairman.

(In the case of simple and concurrent resolutions the words "and be printed" should be stricken out since resolutions are printed in the Journal when they are first introduced.)

The word "not" should be inserted before "printed" only in case of a local bill reported favorably with amendments and ordered not printed, which is customary for local bills.)

A BILL TO BE ENTITLED

AN ACT authorizing and providing for the creation and operation of conservation and reclamation districts under the provisions of Section 59, Article XVI, Constitution of Texas, to be known as Sanitation Districts; providing for the governing body of such Districts; prescribing the rights, powers, privileges, and duties of such Districts and governing bodies; providing for the addition of territory and lands to any such Districts containing other provisions relating to the subject; providing that this Act shall be liberally construed; providing a severability clause; and declaring an emergency.

FILED MAR 4 1959

MAR 9 1959

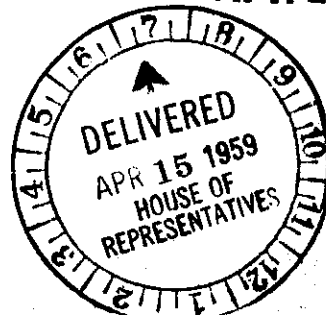
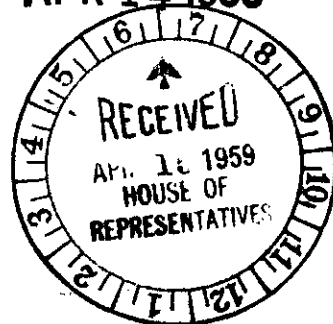
READ 1ST TIME

AND REFERRED TO COMMITTEE ON

Conservation and Reclamation

APR 14 1959 REPORTED FAVORABLY AS AMENDED

APR 10 1959



SENT TO PRINTER

RETURNED FROM PRINTER. SENT TO SPEAKER